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October 22, 2007

PUBLIC UTILITIES
COMMISSION

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The Honorable Chairman and Members of the
the Hawaii Public Utilities Commission
465 South King Street
Kekuanaoa Building, 1st Floor
Honolulu, Hawaii 96813

Dear Commissioners:

Subject: Docket No. 2006-0386

HECO 2007 Test Year Rate Case – Tariff for Interim Rate Increase

Pursuant to Interim Decision and Order No. 23749, Hawaiian Electric Company, Inc. ("HECO") will implement the interim rate increase specified in that order, effective October 22, 2007. Enclosed for filing are the following documents:

- Exhibit 1 Revised index and tariff sheets reflecting Interim Rate Increase surcharges, implementing an interim revenue increase of \$69,930,600. This amount is equal to the \$69,997,000 interim revenue increase (see Exhibit A of Interim Decision and Order No. 23749) less \$66,400 of late payment charges. The late payment charges are based on a factor of .095% of test year sales as specified in item 3 on page 2 of Exhibit 1 of the Stipulated Settlement Letter filed by the parties in this proceeding on September 6, 2007 ("Settlement Letter"). The allocation of revenues to the rate classes is based on HECO T-20 Attachment 1 of the Settlement Letter.
- Exhibit 2 Workpapers for Exhibit 1.
- Exhibit 3 Bill impact of the interim rate increase for a 600 kWh residential bill.

Very truly yours,

Dean K. Matsuura
Manager, Regulatory Affairs

Enclosures

cc: Division of Consumer Advocacy
Dr. Kay Davoodi
Randall Young, Esq.

Superseding Revised Sheet No. 50
Effective October 1, 2007

REVISED SHEET No. 50
Effective October 22, 2007

RATE SCHEDULES

The following listed sheets contain all rates in effect on and after the date indicated thereon subject to the Rules and Regulations of the Company applicable thereto:

<u>Sheet</u>	<u>Schedule</u>	<u>Date Effective</u>	<u>Character of Service</u>
50.1	Rate Adjustment	July 1, 2007	All Schedules Except Schedule Q
50.2	Interim Rate Increase	September 28, 2005	All Schedules Except Schedule Q
50.3	Interim Surcharge	October 1, 2007	All Schedules Except Schedule Q
50.4	Interim Rate Increase 2007	October 22, 2007	All Schedules Except Schedule Q
51	"R"	January 1, 1997	Residential Service
51A	"R"	September 1, 1992	Residential Service
52	"G"	January 1, 1997	General Service Non-Demand
53	"G"	September 1, 1992	General Service Non-Demand
54	"J"	January 1, 1997	General Service Demand
54A	"J"	January 1, 1996	General Service Demand
54B	"J"	September 1, 1992	General Service Demand
55	"H"	January 1, 1997	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
56	"H"	September 1, 1992	Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
57	"PS"	June 1, 2001	Large Power Secondary Voltage Service
58	"PS"	June 1, 2001	Large Power Secondary Voltage Service
58A	"PS"	June 1, 2001	Large Power Secondary Voltage Service
58B	"PP"	June 1, 2001	Large Power Primary Voltage Service
58C	"PP"	June 1, 2001	Large Power Primary Voltage Service
58D	"PP"	June 1, 2001	Large Power Primary Voltage Service
58E	"PT"	June 1, 2001	Large Power Transmission Voltage Service
58F	"PT"	June 1, 2001	Large Power Transmission Voltage Service
58G	"PT"	June 1, 2001	Large Power Transmission Voltage Service

HAWAIIAN ELECTRIC COMPANY, INC.

SHEET NO. 50.4
Effective October 22, 2007

INTERIM RATE INCREASE 2007

Supplement To

Schedule R	- Residential Service
Schedule E	- Electric Service For Employees
Schedule G	- General Service Non-Demand
Schedule J	- General Service Demand
Schedule H	- Commercial Cooking, Heating, Air Conditioning & Refrigeration Service
Schedule PS	- Large Power Secondary Voltage Service
Schedule PP	- Large Power Primary Voltage Service
Schedule PT	- Large Power Transmission Voltage Service
Schedule F	- Public Street Lighting, Highway Lighting, & Park & Playground Floodlighting
Schedule U	- Time-of-Use Service

All terms and provisions of Schedules "R", "E", "G", "J", "H", "PS", "PP", "PT", "F" and "U" are applicable except that the total base rate charges for each billing period shall be increased by the following Interim Rate Increase approved by the Public Utilities Commission. The total base rate charges for the current billing period shall include all base rate schedule charges, and base rate adjustments, excluding the Energy Cost Adjustment, Interim Rate Increase (2005), the IRP Cost Recovery Adjustment, Residential DSM Adjustment, Commercial and Industrial DSM Adjustment, SolarSaver Adjustment, Rate Adjustment and Interim Surcharge.

INTERIM RATE INCREASE 2007:

Schedule R/E.....	8.84 percent
Schedule G.....	8.55 percent
Schedule J.....	7.93 percent
Schedule H.....	10.44 percent
Schedule PS.....	10.82 percent
Schedule PP.....	11.40 percent
Schedule PP (Directly served from Substation).	2.09 percent
Schedule PT.....	9.59 percent
Schedule F.....	9.47 percent
Schedule U.....	7.93 percent

The above Interim Rate Increase 2007 is based on the interim increase of \$69,997,000 approved by the Public Utilities Commission in its Interim Decision & Order No. 23749 in Docket No. 2006-0386. The revenues collected through this Interim Rate Increase are subject refund with interest in accordance with the Public Utilities Commission's Interim Decision & Order No. 23749.

HAWAIIAN ELECTRIC COMPANY, INC.

Docket No. 2006-0386, Interim Decision and Order No. 23749.
Transmittal Letter dated October 22, 2007.

HAWAIIAN ELECTRIC COMPANY, INC.
DOCKET NO. 2006-0386, TEST-YEAR 2007

INTERIM RATE INCREASE
CALCULATION OF REVENUE TO BE RECOVERED
In \$000s

L1	Increase in Total Operating Revenue to be Recovered from Rate Classes	\$69,930.6
L2	Late Payment Charges in Increase in Other Operating Revenue	<u>\$66.4</u>
L3 = L1 + L2	Increase in Total Operating Revenue To be Recovered from Rate Classes	\$69,997.0

Source:

L1-L2 Interim Decision and Order No. 23749, Docket No. 2006-0386,
Exhibit A, Page 1.

Late Payment Charge in Increase = $\$69,930.6 \times 0.095\%^1 = \66.4

¹ Page 2 of Settlement Agreement

HAWAIIAN ELECTRIC COMPANY, INC.
DOCKET NO. 2006-0386, TEST-YEAR 2007

INTERIM RATE INCREASE
SUMMARY OF REVENUE INCREASE BY CLASS

Rate Class	A	B	C	D	E
	Interim Rate Increase Allocation	Interim Rate Increase Allocation	Schedule P Reassignment of Revenues	Interim Rate Increase	Interim Rate Increase
	Allocation (%)	Revenue Increase (\$000s)		Base Revenue (\$000s)	Class Increase (%)
Schedule R	35.71%	\$24,972.2		\$282,538.4	8.84%
Schedule G	6.65%	\$4,650.4		\$54,380.3	8.55%
Schedule J	25.37%	\$17,741.4		\$223,832.8	7.93%
Schedule H	0.61%	\$426.6		\$4,086.7	10.44%
Schedule PS	9.10%	\$6,363.7	\$2,213.5	\$79,254.4	10.82%
Schedule PP ^{1,2}	9.79%	\$6,846.2	\$2,972.6	\$86,111.5	11.40%
Schedule PP Direct Served Customer ^{1,2}	10.71%	\$7,489.6	(\$5,520.6)	\$94,188.9	2.09%
Schedule PT	1.47%	\$1,027.9	\$334.5	\$14,208.3	9.59%
Schedule F	0.59%	\$412.6		\$4,359.2	9.47%
Total	100.00%	\$69,930.6	\$0.0	\$842,960.5	8.30%

Source:

Column A, Column C, note 1 Stipulated Settlement Letter Dated September 5, 2007, Docket No. 2006-0386, HECO T-20, Attachment 1, Page 1

note 1: Schedule PP Allocation (20.50%) is split 52.24% to Directly Served Customers and 47.76% non-direct served customers. See note 2

note 2: Schedule PP Directly Served Customers base revenues constitute 52.24% of Direct Testimony Schedule PP Base Revenues. $(88,359.7 / 169,135.5 = 52.24\%)$

Column B: Column A x Exhibit 3, Page 1, Line 1.

Column D, note 2 Forecast of Base Revenues, October 2007 to September 2008, HECO Forecasts and Research Base Revenue Schedule PS (28.95%), Schedule PP (65.86%), Schedule PT (5.19%) Based on Direct Testimony Rate Spread

Column E: $(\text{Column B} + \text{Column C}) \div \text{Column D}$

HAWAIIAN ELECTRIC COMPANY, INC.
RESIDENTIAL BILL @600 KWH PER MONTH

Line No.		Total Bill at Current Effective Rates (\$)	Total Bill after Interim Rate Increase (\$)
		(A)	(B)
1	Customer Charge	\$7.00	\$7.00
2	Energy Charge	\$67.77	\$67.77
3	IRP Adjustment	\$0.00	\$0.00
4	DSM Adjustment	\$3.25	\$3.25
5	Interim Rate Increase (TY2005)	\$4.93	\$4.93
6	Interim Rate Increase (TY 2007)	\$0.00	\$6.61
7	Rate Adjustment	-\$0.30	-\$0.30
8	Solar Saver Adjustment	0.35	0.35
9	Energy Cost Adjustment	\$53.12	\$53.12
10	Interim Surcharge	\$0.27	\$0.27
	Total Bill	<u>\$136.39</u>	<u>\$143.00</u>
	Change from Total Bill (\$)		\$6.61
	Percentage Change from Total Bill		<u>4.85%</u>

References

- Line 1-2: Base Rates effective January 1, 1997.
 Line 3: IRP Adjustment of 0.000% effective 12/01/06.
 Line 4: Residential DSM Adjustment of 0.5424 ¢/kwh, effective 04/01/07.
 Line 5: Interim Rate Increase of 6.6%, effective 9/28/05.
 Line 6: Interim Rate Increase of 8.84%, effective 10/22/07.
 Line 7: Rate Adjustment of -0.400% effective 08/01/07.
 Line 8: Solar Saver Adjustment of 0.0587 ¢/kwh, effective 08/01/07.
 Line 9: Energy Cost Adjustment Factor of 8.854 ¢/kwh effective 10/01/07.
 Line 10: Interim Surcharge of 0.0444 ¢/kwh, effective 10/01/07.